

Hull & Machinery Insurance 2026

The terms for 2026 Hull & Machinery Insurance are outlined in this circular. The Association will continue to make comprehensive insurance cover available to suit the needs of individual members at rating and deductible levels reflecting exposure.

Update

Business Outlook

The Hull & Machinery market in 2025 remains highly competitive, with new capacity from incumbents and Managing General Agents keeping pressure on rates. Pricing has generally softened, particularly in London, while Scandinavia has held firmer. Although underwriting discipline is maintained, ambitions for growth continue to narrow margins.

Claims development has been severity-led, with several major fires, machinery breakdowns and costly total losses. Inflation in steel, labour and repair yards has kept average claims costs elevated, leaving the H&M sector only marginally profitable. With the global fleet now averaging over 22 years, delayed newbuilds and ageing machinery remain structural risks. Geopolitical exposures—Red Sea, Black Sea and the shadow tanker fleet—continue to drive volatility and shape terms.

Into the renewal season, competition remains a factor, but recent severe losses are prompting stronger underwriting responses. A firmer stance towards older units, car carriers and container trades with dangerous goods exposure, combined with broader market recognition of underlying cost pressures, may support a gradual stabilisation of the cycle.

Business Development

The Swedish Club's marine portfolio in 2025 has remained stable despite competitive market conditions. Premium income has eased slightly year-on-year, reflecting a selective underwriting approach and an emphasis on long-term quality rather than short-term volume. Hull & Machinery results have been affected by a higher incidence of large claims, while ancillary classes such as Builders Risk, War, Increased Value, Loss of Hire and Energy have continued to provide positive contributions and support overall performance.

Portfolio composition is gradually shifting towards younger and higher-quality tonnage, with stricter terms being applied to older or more exposed units. At present, the Club insures approximately 7,100 vessels on Hull & Machinery plus a further 1,300 through captive solutions. The lead ratio has shown modest improvement, indicating increased recognition of the Club's underwriting expertise.

The marine portfolio remains centred on profitability, resilience and quality, supported by disciplined underwriting and careful portfolio steering in a challenging market environment.

Renewals 2026

The Club will offer all members renewal terms tailored to individual performance and exposure.



Terms for Hull & Machinery Insurance 2026

Hull Premium

The premium will be based on the type of vessel, management, value, risk exposure and loss records, in addition to the information stated above. In particular, the Association will ensure and prioritize that the premium fully covers the risk exposure.

Claims lead

The Association will have the claims lead at all times unless otherwise agreed in writing. For all policies where the Association has the claims lead, "The Swedish Club Claims Lead Clause" (A.4) shall apply. Members are recommended to arrange for procedures to provide counter-security from co-underwriters to the satisfaction of the Association, in cases where the Association decides to issue a Guarantee or a Letter of Undertaking for the full amount.

Claims – Adjustments – Adjusters

Claims must be reported immediately to the Association by the member. Emergency, office, mobile telephone numbers, email addresses and other contact details are available on the Association's website. All claims are adjusted by the Association's in-house Adjusters. Adjusters for General Average shall be appointed in co-operation with the Association.

Renewals

Each member, or its broker, will be contacted individually for renewal discussions. Statistical records used for the 2026 renewals will reflect the results for 2020, 2021, 2022, 2023 and 2024. Claims development for 2025, if adverse, will also be taken into consideration when deciding renewal terms. Records are presented in SCOL (Swedish Club OnLine), available through the Association's website.

Lay-up returns

Applications for lay-up returns will be considered subject to the attached lay-up conditions.

Club Clauses

Mandatory Club Clauses will be based on the underlying Hull & Machinery conditions. For Nordic Marine Insurance Plan, German Hull Conditions, Institute Time Clauses and American Institute Hull Clauses, applicable clauses will at all times be published on the Club's website. www.swedishclub.com/HullInsuranceConditions

Please note the following addition in respect of Mandatory Club Clauses for the 2026 policy year:

- A.16 - The Swedish Club GDPR Clause 2025-10-01

During the 2025 policy year, the following clause was introduced as a Mandatory Club Clause:

- A.15 - The Swedish Club Know Your Customer (KYC) Clause 2025-03-21

Policies should contain the full set of Mandatory Club Clauses as outlined in the respective attachments.

Yours faithfully,

Thomas Nordberg